

FmHA AN No. 1381 (1924)

March 28, 1986

SUBJECT: Servicing Delinquent Farmer Program Loans for Fiscal Year 1986

TO: State Directors and Farmer Program Chiefs

Purpose/Intended Outcome

The purpose of this AN is to replace AN 1369(1924), dated March 14, 1986, by changing the required time for sending Forms FmHA 1924-14, 1924-25, and 1924-26, to Category 2 borrowers identified in AN No. 1335(1924) dated February 3, 1986. The intended outcome is to provide a systematic manner of servicing those FmHA FP loan accounts which are in default.

Comparison with Previous AN

This AN replaces AN No. 1369(1924), dated March 14, 1986, and is a follow-up to AN No. 1335(1924) issued February 3, 1986. AN No. 1369(1924) should be destroyed.

Implementation Responsibilities

AN 1335(1924) set up two categories of borrowers in monetary default. Those in Category 1 received Form FmHA 1924-14, "Farmer Program Borrower Servicing Options Including Deferrals and Borrower Responsibilities," Form FmHA 1924-25, "Notice of Intent to Take Adverse Action," Form FmHA 1924-26, "Borrower Acknowledgement of Notice of Intent to Take Adverse Action," and a cover letter. AN 1335(1924) provided that those borrowers in Category 2 would not be sent Forms FmHA 1924-25 and 1924-26 because of monetary default until further directions from the Administrator. This AN is your direction to send those forms.

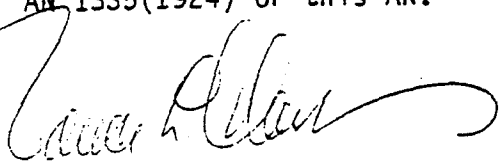
Effective immediately, all Category 2 borrowers who have not responded in the 30 day time period, or who cannot be helped after considering all servicing options will be sent Forms FmHA 1924-14, 1924-25, and 1924-26. No cover letters will be used. The only exception to this is Category 2 borrowers who have requested and been denied servicing relief and who are now appealing that denial, and borrowers whose request for servicing options are now being considered. When the appeal is concluded, if the borrower does not prevail, the borrower will be sent Forms FmHA 1924-14, 1924-25, and 1924-26.

EXPIRATION DATE: November 30, 1986

FILING INSTRUCTIONS: Preceding
FmHA Instruction 1924-B

1381(1924)

Remember that nonmonetary defaults are not handled under either
AN 1335(1924) or this AN.

A handwritten signature in cursive script, appearing to read "Vance L. Clark".

VANCE L. CLARK
Administrator

Sent by electronic mail on March 31.86 at 2:47 by DASD/IMPS. This
message should be distributed to all County Supervisors and District
Directors.